



Bryce Yokomizo  
Director

November 18, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AN AMENDMENT WITH EACH OF THE  
THIRTEEN ALTERNATIVE PAYMENT PROGRAM AGENCIES  
IN LOS ANGELES COUNTY FOR THE PROVISION OF  
STAGE 1 CHILD CARE SERVICES  
TO CalWORKs PARTICIPANTS  
(ALL DISTRICTS - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Delegate authority to the Director of the Department of Public Social Services (DPSS) to prepare and execute amendments, substantially similar to the enclosed sample amendment (Attachment I), to extend existing contracts with the 13 Alternative Payment Program (APP) Provider agencies for the provision of Stage 1 Child Care Services to CalWORKs participants for three months, beginning January 1, 2004, through March 31, 2004. The estimated amount for the extension is \$39,653,355 fully funded by Stage 1 Child Care allocation and therefore there is no net County cost (NCC) impact.

The contracts are fully subvented by State and federal revenue. Funding for the amendments is included in the FY 2003-04 Final Adopted Budget.

**PURPOSE/JUSTIFICATION OF RECOMMENDATION**

The current contracts for these services expire December 31, 2003. On June 3, 2003, your Board delegated authority to the DPSS Director to extend services effective

July 1, 2003 through December 31, 2003 while DPSS began its evaluation of the most cost effective and efficient method of administering Stage 1 Child Care Services. The contracts are being extended so that DPSS may continue to negotiate with the APPs, include performance measures and evaluate the impact of new child care payment rates. Based on the final results of negotiations, DPSS will return to the Board in late January 2004 with a recommendation for ongoing provisions of these services or to bring services in-house.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The amendments are consistent with the principles of Countywide Strategic Plan Goal #5: Children and Families' Well-Being by continuing and supporting the Department's efforts to ensure the well-being of children in Los Angeles County with access to quality child care.

### **FISCAL IMPACT/FINANCING**

The cost of the 13 amendments is estimated at \$39,653,355, of which \$4,653,355 is for administrative costs, including collocated staff and outreach activities. The remaining costs are direct payments to child care providers for providing child care to children of CalWORKs participants.

The costs of these amendments will be funded entirely with CalWORKs Stage 1 Child Care funds. There is no NCC impact. Funding for the amendments is included in the FY 2003-04 Final Adopted Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

California Educational Code 8350 requires three stages of Child Care Services. Section 8351 of the same code requires county welfare departments to manage the first stage (Stage 1). Subsection 8351(e) allows counties to contract for any or all Stage 1 Child Care Services. Stages 2 and 3 Child Care Services are under the jurisdiction of the California Department of Education (CDE). CDE contracts with the same agencies with which we contract for Stage 1 Services to operate the local Stages 2 and 3 programs.

The current Stage 1 Child Care Services contracts went into effect January 1, 2001 and they will expire December 31, 2003. The County has contracted for Stage 1 Child Care Services since December 1998.

Per subsection 2.121.250B.1 of the County Code, these contracts are not subject to Prop A contract requirements.

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Under the Agreements, the contractors must ensure that the parent is provided with the necessary information and assistance to make an informed child care choice, determine that the parent is eligible to receive child care services, and process the child care certification within a specified time period. The contractors must also process provider payments.

Additionally, DPSS will negotiate enhanced performance measures with the APPs and evaluate the impact of new child care payment rates to ensure these contracts provide quality services to our CalWORKs participants.

This amendment has been approved as to form by County Counsel.

### **CONTRACT PROCESS**

No additional solicitation process was required for these amendments since they are extensions of existing Agreements.

### **IMPACT ON CURRENT SERVICES**

The amendments will allow the County to continue to provide State required Stage 1 Child Care Services.

Extending these contracts will not infringe on the rights of the County in relationship to its residents and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County.

### **CONCLUSION**

The Executive Officer, Board of Supervisors, is requested to send one approved copy of this Board Letter to the Director of DPSS.

Respectfully submitted,

Bryce Yokomizo  
Director

BY:cjr

Enclosures

c: Chief Administrative Officer  
County Counsel

**SAMPLE****AMENDMENT NUMBER \_\_\_\_ TO THE AGREEMENT BETWEEN  
THE COUNTY OF LOS ANGELES AND****FOR THE PROVISION OF CalWORKs STAGE 1 CHILD CARE SERVICES**

Reference is made to the documents entitled "CalWORKs Stage 1 Child Care Services Contract" by and between the County of Los Angeles and the \_\_\_\_\_, dated January 1, 2001, and further identified as County Agreement #CWXX (hereinafter referenced as "Agreement") and Amendment Number \_\_\_\_ to the Agreement and amended on this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

NOW, THEREFORE, COUNTY and CONTRACTOR hereby agree to extend the term of the Agreement as follows:

- A. Effective December 31, 2003, Part **II, TERM OF CONTRACT**, Section 1., is amended by adding the following new paragraph:

Subject to COUNTY's right to terminate earlier for convenience, non-appropriation of funds or default of CONTRACTOR, or any other terms allowing earlier termination, the term of this Agreement shall be extended commencing January 1, 2004 through March 31, 2004.

- B. Effective January 1, 2004, Part **IV., COMPENSATION**, Section 1., Operational/Administrative Fees, Subsection 1.1, Subparagraph 1.1.4 is deleted in its entirety and replaced with Subparagraph 1.1.4 as follows:

CONTRACTOR shall issue to COUNTY, no later than March 31, 2004, a list and diskette of providers with outstanding Provider Payment Requests for child care rendered prior to April 1, 2004, for whom no payment was issued, unless COUNTY and CONTRACTOR have entered into a new contract which sets a later date for the delivery of such a list and diskette. COUNTY shall reconcile CONTRACTOR list to ensure previous payment has not been issued prior to assuming sole responsibility for receiving outstanding Provider Payment Requests and issuing requested payments after March 31, 2004. If COUNTY disagrees with the CONTRACTOR's list of Provider Payment Requests, COUNTY and CONTRACTOR shall meet within ten (10) calendar days and resolve the disagreement.

Should Contract be terminated prior to its expiration date, the list and diskette of Provider Payment Requests shall be submitted within fifteen (15) calendar days of the expiration date.

- C. Effective January 1, 2004, Part **VII., FURTHER TERMS AND CONDITIONS**, Section 40, TERMINATION FOR CONVENIENCE OF COUNTY, Subsection 40.2, Paragraph B., is amended as follows:

Comply with the provisions of Section IV, Paragraph 1.1.3, including taking all reasonable and necessary steps to cancel all leased or rented space agreements entered into through March 31, 2004 to perform the services terminated hereunder.

- D. Effective January 1, 2004, Part **VII., FURTHER TERMS AND CONDITIONS**, Section 40, TERMINATION FOR CONVENIENCE OF COUNTY, Subsection 40.3, is amended as follows:

Subject to the provisions of the subparagraph 40.2, COUNTY and CONTRACTOR shall negotiate an equitable amount to be paid CONTRACTOR for costs incurred by reason of the total or partial termination of work pursuant to this clause. The negotiated amount shall not result in Operational/Administrative Fees exceeding the cost-per-case rate in Part IV, Section 1.1 times the average monthly number of cases from January 1, 2004 to the termination date times the number of months remaining in the contract, and shall not result in fixed or Outreach Fees for the year exceeding the monthly fees in Section IV, Paragraph 2.1 times the number of months remaining in the contract. CONTRACTOR's termination claim and invoice may include, but not be limited to, the following costs:

- A. Costs for that part of the work already performed prior to the effective date of the total or partial termination;
- B. Remaining costs of rental or leased space agreements, if any, after CONTRACTOR's compliance with this Section VII, Paragraph 40.2b.

Such costs shall not exceed the remainder of \$XX for rental and leased space agreements through March 31, 2004;

- C. Staff costs incurred in Contract close down; and
  - D. Other costs, if any, incurred pursuant to the total or partial termination, such as copying of files and documents.
- E. Effective January 1, 2004, **ATTACHMENT E, CONTRACTOR BUDGET**, is deleted in its entirety and is replaced with Attachment E-2, Amended Contractor Budget. CONTRACTOR may reallocate funds between line items, as needed, to provide necessary services under this Contract. As of the effective date of the Amendment, wherever it appears in the Agreement, the term "Attachment E" and/or "Attachment E-1" shall be replaced by the term "Attachment E-2."

All other terms and conditions remain in effect.

The parties hereto have caused this Agreement to be executed by their authorized officers.

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_  
Bryce Yokomizo, Director  
Department of Public Social Services

Date: \_\_\_\_\_

**CONTRACTOR**

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

Lloyd W. Pellman, County Counsel

By: \_\_\_\_\_  
Deputy

**RESOURCE AND REFERRAL/ALTERNATIVE PAYMENT PROGRAM AGENCIES  
CalWORKs STAGE 1 CHILD CARE**

**AMENDED CONTRACTOR BUDGET**

**FY 2003-2004  
JANUARY 1, 2004 - MARCH 31, 2004**

<b>AGENCY NAME</b>	<b>ESTIMATED ADMIN. COST</b>	<b>ESTIMATED COLLOCATION</b>	<b>ESTIMATED OUTREACH</b>	<b>ESTIMATED 3 MONTH TOTAL</b>
CCFS	\$ 411,352	\$ 13,050	\$ 3,264	\$ 427,666
CCIS	\$ 230,353	\$ 0	\$ 1,827	\$ 232,180
CCRC	\$ 445,403	\$ 84,157	\$ 3,681	\$ 533,241
CHS	\$ 565,123	\$ 132,747	\$ 4,596	\$ 702,466
City of Norwalk	\$ 31,772	\$ 0	\$ 252	\$ 32,024
Connections	\$ 97,208	\$ 0	\$ 771	\$ 97,979
Crystal Stairs	\$ 862,009	\$ 80,714	\$ 6,837	\$ 949,560
Drew CDC	\$ 256,063	\$ 0	\$ 2,115	\$ 258,178
Inter. Institute-LA	\$ 54,451	\$ 0	\$ 450	\$ 54,901
MAOF	\$ 434,223	\$ 37,206	\$ 3,444	\$ 474,873
Options	\$ 278,641	\$ 48,946	\$ 2,286	\$ 329,873
Pathways	\$ 238,665	\$ 0	\$ 1,893	\$ 240,558
Pomona USD	\$ 288,597	\$ 28,970	\$ 2,289	\$ 319,856
<b>TOTAL</b>	<b>\$ 4,193,860</b>	<b>\$ 425,790</b>	<b>\$ 33,705</b>	<b>\$ 4,653,355</b>

1/1/04